

AN ACT

relating to a vendor's remedies for nonpayment of a contract with this state or a political subdivision of this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2251.042, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) A governmental entity shall notify a vendor of an error or disputed amount in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice, and shall include in such notice a detailed statement of the amount of the invoice which is disputed.

(d) The governmental entity may withhold from payments required no more than 110 percent of the disputed amount.

SECTION 2. Section 2251.042, Government Code, as amended by this Act, applies only to a contract entered into on or after the effective date of this Act. A contract entered into before that date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2021.

H.B. No. 1476

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1476 was passed by the House on May 11, 2021, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1476 was passed by the Senate on May 24, 2021, by the following vote: Yeas 30, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor